September 9, 1999

Our Reference: WA-TX 0181.90.02

Ms. Linda K. Wertz, State Medicaid Director Texas Health and Human Services Commission Post Office Box 13247 Austin, Texas 78711

Dear Ms. Wertz:

I am responding to your recent correspondence by approving another 90-day temporary extension of your Home and Community-Based Services Waiver (HCBSW) No. 0181.90.02 for the Medically Dependent Children Program (MDCP). This HCBSW program expires on September 14, 1999. This temporary extension is to ensure continued operation of the waiver program pending approval of the renewal request. The renewal request adds a hospital level of care and makes other significant changes in services to the waiver. On February 25, 1998, we sent you a formal request for additional information concerning certain aspects of the waiver renewal, including the cost effectiveness data. This request for additional information stopped the clock on the waiver renewal.

We appreciate the additional information provided in your extension request which indicates that the renewal concerns should be resolved within the near future. We recently received your amendment request which will clarify the additional hospital level of care prior to consideration of the renewal.

Because a decision regarding renewal of this waiver could not be finalized before the current program expires on September 14, 1999, I am granting the State of Texas a fourteenth (14) 90-day temporary extension of HCBSW No. 0181.90.02. The program is approved under authority of section 1915(c) of the Social Security Act. The extension allows you to continue waiver services with Federal financial participation from September 15, 1999 through December 13, 1999 at the per capita cost and utilization levels approved for the fifth year of the current waiver program.

If you have any questions, please contact Joe Reeder at (214) 767-4419.

Sincerely,

James Randolph Farris, M.D. Regional Administrator

cc: Director, Center for Medicaid and State Operations